

Bield Housing & Care

31 March 2017

This Regulation Plan sets out the engagement we will have with Bield Housing & Care (Bield) during the financial year 2017/18. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Bield was registered as a social landlord (RSL) in 1975 after being established in 1971. It owns and manages 4,302 homes and delivers factoring services to 888 owners. Most of its homes are part of retirement housing developments and it also has 12 care homes. It has charitable status and employs 804 full time equivalent staff. As at the 31 March 2016 Bield's turnover for the year was £50.1 million and its debt per unit was £737.

Systemic importance

We refer to a small number of RSLs as 'systemically important' because of their stock size, turnover or level of debt or because of their significance within their area of operation. We need to maintain a comprehensive understanding of how their business models operate, how they manage the risks they face and the impact these risks may have. So we seek some additional assurance through our regulation plans. Given Bield's turnover, we consider it to be systemically important.

Engagement

During 2016/17 we reviewed Bield's 2016-2021 Business Strategy and supporting 30-year projections. We gained assurance about its strategy and approach to asset management. We also discussed Bield's work on rent affordability and it will be reviewing rents and service charges over the course of the year. We discussed its progress with the Scottish Housing Quality Standard (SHQS) and Bield has reduced the number of homes failing to 144. We monitored progress with sales at its St Andrews development and engaged with the executive team, the Chair and the Board to discuss the risks and challenges facing the organisation.

In response to funding pressures Bield is continuing to work through a substantial planned programme of change and as part of this is reviewing its care home and very sheltered housing service.

As part of its revised Business Strategy, Bield will complete its committed development programme and begin refurbishment works at two developments. Its Board will review the development strategy early in 2017/18.

Our engagement with Bield Housing & Care in 2017/18 – Medium

We will engage with Bield because it is systemically important and to gain further assurance about its service remodeling, homes for sale and SHQS progress.

1. Bield will send us by 31 May 2017:
 - its 2017-2022 Business Strategy;
 - 30 year financial projections consisting of statements of comprehensive income, financial position and cash flow complete with assumptions and explanatory narrative;
 - a comparison of projected financial loan covenants against current covenant requirements;
 - financial sensitivity analysis which compares the resulting covenant calculations with the current covenant requirements, together with risk mitigation strategies;
 - risk mitigation strategies for each of the key risks; and
 - the report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance.

2. Bield will also send us:
 - its governing body and audit committee minutes as they become available;
 - monthly updates on progress with sales at its St Andrews development;
 - an update in April 2017 on decisions regarding care home provision;
 - updates in October 2017 and January 2018 on progress with service remodeling and SHQS;
 - an update on its development projects, including funding plans, timescales, completions and any material delay or changes, by 31 October 2017; and
 - by the end of January 2018 evidence of how it demonstrates affordability for its tenants.

3. We will:
 - review governing body and audit committee minutes and liaise as necessary; and
 - meet senior staff and the Chair by the end of July 2017 and in February 2018 to discuss the risks and challenges facing the organisation.

4. Bield should alert us to notifiable events and seek our consent as appropriate. It should provide us with the annual regulatory returns we review for all RSLs:
 - audited financial statements and external auditor's management letter;
 - loan portfolio return;
 - five year financial projections;
 - Annual Return on the Charter; and
 - the return on the Energy Efficiency Standard for Social Housing.

This plan will be kept under review and may be changed to reflect particular or new events. The engagement strategy set out in this plan does not restrict us from using any other form of regulatory engagement to seek additional assurance should the need arise. Our regulatory framework and other relevant statistical and performance information can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for Bield Housing & Care is:

Name: Janet Dickie, Regulation Manager
Address: Buchanan House, 58 Port Dundas Road, Glasgow G4 0HF
Telephone: 0141 242 5500

We have decided what type of engagement we need to have with this organisation based on information it provided to us. We rely on the information given to us to be accurate and complete, but we do not accept liability if it is not. And we do not accept liability for actions arising from a third party's use of the information or views contained in the Regulation Plan.